



SURVEY OF PROFESSIONAL FORECASTERS

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FIRST QUARTER 2011

Forecasters See Stronger Growth in 2011 and 2012

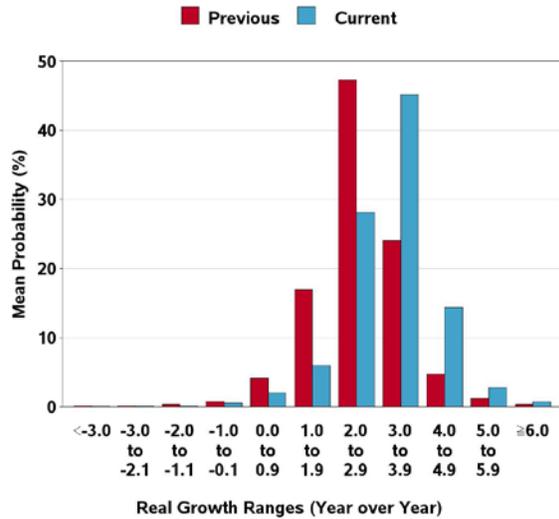
The outlook for growth in the U.S. economy looks more positive now than it did just three months ago, according to 43 forecasters surveyed by the Federal Reserve Bank of Philadelphia. The panel expects real GDP to grow at an annual rate of 3.6 percent this quarter, up from the previous estimate of 2.4 percent. On an annual-average over annual-average basis, the forecasters predict faster real GDP growth in 2011 and 2012. The forecasters see real GDP growing 3.2 percent in 2011, up from their prediction of 2.5 percent in the last survey. The forecasters predict real GDP will grow 3.1 percent in 2012, higher than their prediction of 2.9 percent in the last survey. For 2013, the forecast for real GDP growth is unchanged from the last survey at 3.0 percent.

The positive revision to growth is accompanied by a brighter outlook for the unemployment rate. Unemployment is projected to be an annual average of 9.1 percent in 2011, 8.5 percent in 2012, and 7.8 percent in 2013. These estimates are lower than the projections in the last survey. On the employment front, the forecasters have revised upward the growth in jobs over the next four quarters. The forecasters see nonfarm payroll employment growing at a rate of 129,100 jobs per month this quarter and 188,300 jobs per month next quarter. The forecasters' projections for the annual-average level of nonfarm payroll employment suggest job gains at a monthly rate of 134,900 in 2011 and 226,100 in 2012, as the table below shows. (These annual-average estimates are computed as the year-to-year change in the annual-average level of nonfarm payroll employment, converted to a monthly rate.)

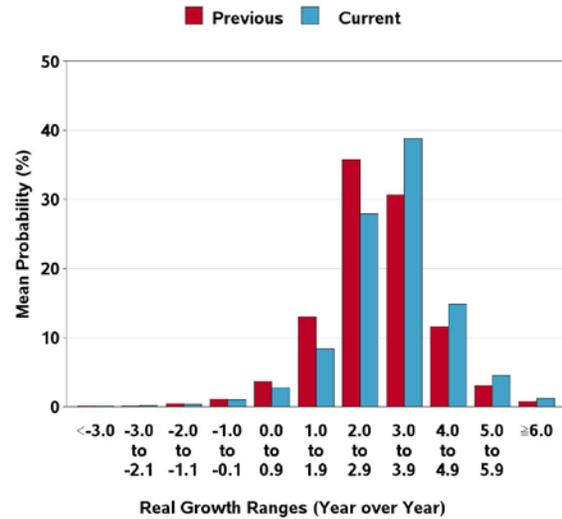
	Real GDP (%)		Unemployment Rate (%)		Payrolls (000s/month)	
	Previous	New	Previous	New	Previous	New
<i>Quarterly data:</i>						
2011:Q1	2.4	3.6	9.5	9.3	104.2	129.1
2011:Q2	2.7	3.5	9.4	9.2	144.3	188.3
2011:Q3	3.3	3.1	9.2	9.0	139.8	201.1
2011:Q4	2.9	3.4	9.0	8.8	170.6	213.1
2012:Q1	N.A.	3.1	N.A.	8.7	N.A.	201.4
<i>Annual data (projections are based on annual-average levels):</i>						
2011	2.5	3.2	9.3	9.1	105.5	134.9
2012	2.9	3.1	8.7	8.5	N.A.	226.1
2013	3.0	3.0	7.9	7.8	N.A.	N.A.
2014	N.A.	3.4	N.A.	7.3	N.A.	N.A.

The charts below provide some insight into the degree of uncertainty the forecasters have about their projections for the rate of growth in the annual-average level of real GDP. Each chart presents the forecasters' previous and current estimates of the probability that growth will fall into each of 11 ranges. The forecasters have revised upward their estimate of the probability that growth will fall into the range of 3.0 to 4.9 percent in 2011, 2012, and 2013.

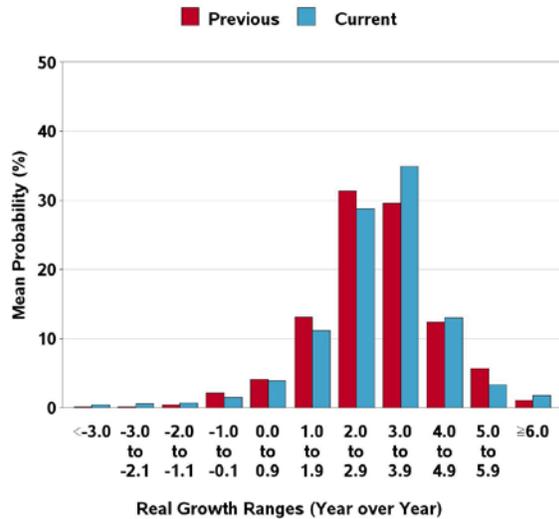
Mean Probabilities for Real GDP Growth in 2011



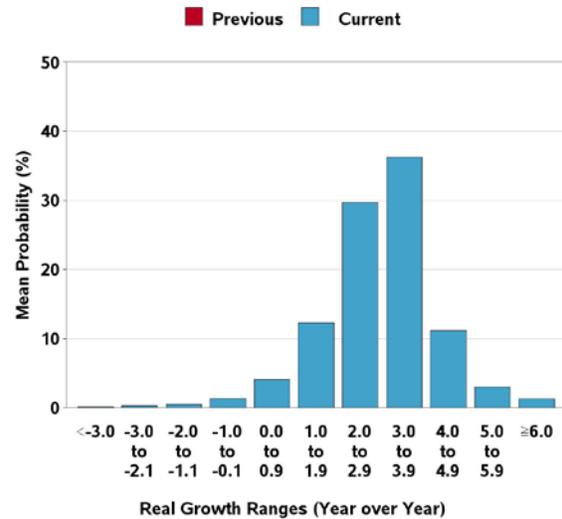
Mean Probabilities for Real GDP Growth in 2012



Mean Probabilities for Real GDP Growth in 2013

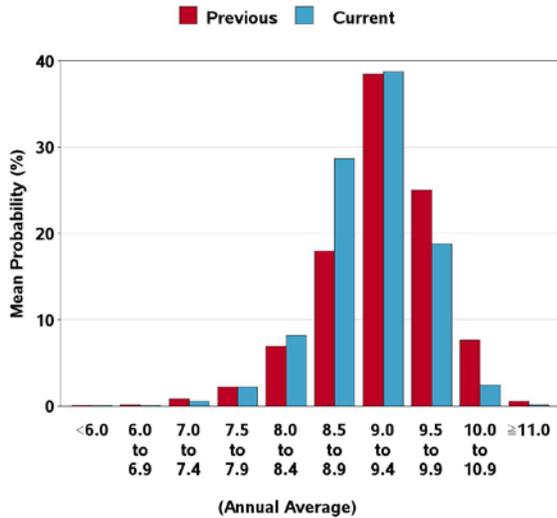


Mean Probabilities for Real GDP Growth in 2014

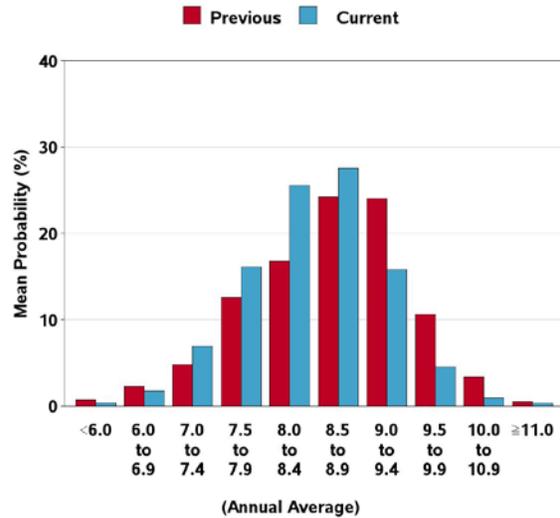


The forecasters' density projections, as shown in the charts below, shed light on the odds of a recovery in the labor market over the next four years. Each chart presents the forecasters' previous and current estimates of the probability that unemployment will fall into each of 10 ranges. The forecasters have reduced the estimate of the probability that the annual average unemployment rate will be greater than 9.5 percent in 2011, 2012, and 2013 compared with their previous estimate.

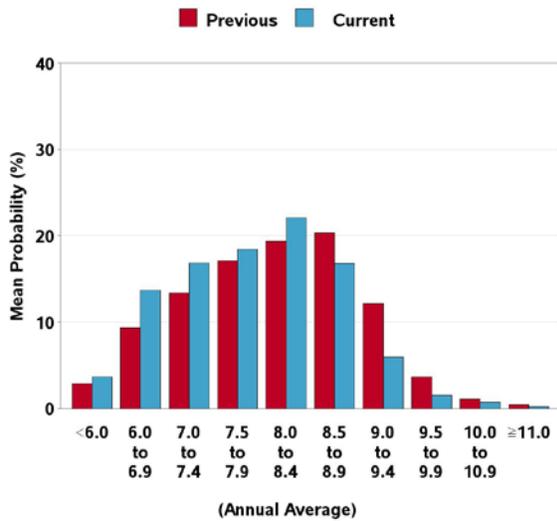
Mean Probabilities for Unemployment Rate in 2011



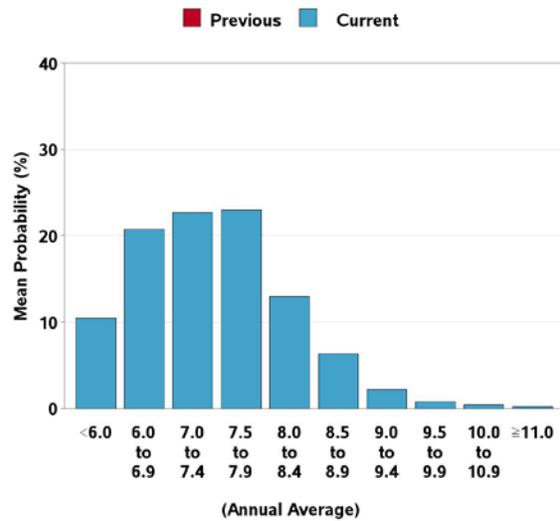
Mean Probabilities for Unemployment Rate in 2012



Mean Probabilities for Unemployment Rate in 2013



Mean Probabilities for Unemployment Rate in 2014



Little Change in the Long-Term Expectations for Inflation

The forecasters expect current-quarter headline CPI inflation to average 2.5 percent, up from the last survey's estimate of 1.6 percent. The forecasters also predict a higher current-quarter headline PCE inflation of 2.0 percent, up from the last survey's estimate of 1.5 percent. However, the current outlook for the headline and core measures of CPI and PCE inflation during the next two years remains mostly unchanged. Measured on a fourth-quarter over fourth-quarter basis, headline CPI inflation is expected to average 1.7 percent in 2011 and 2.0 percent in 2012, slightly higher than the forecast of 1.6 percent and 1.9 percent, respectively, in the last survey. Forecasters expect fourth-quarter over fourth-quarter headline PCE inflation to average 1.6 percent in 2011, up from 1.4 percent in the last survey, and 1.8 percent in 2012, unchanged from the previous estimate.

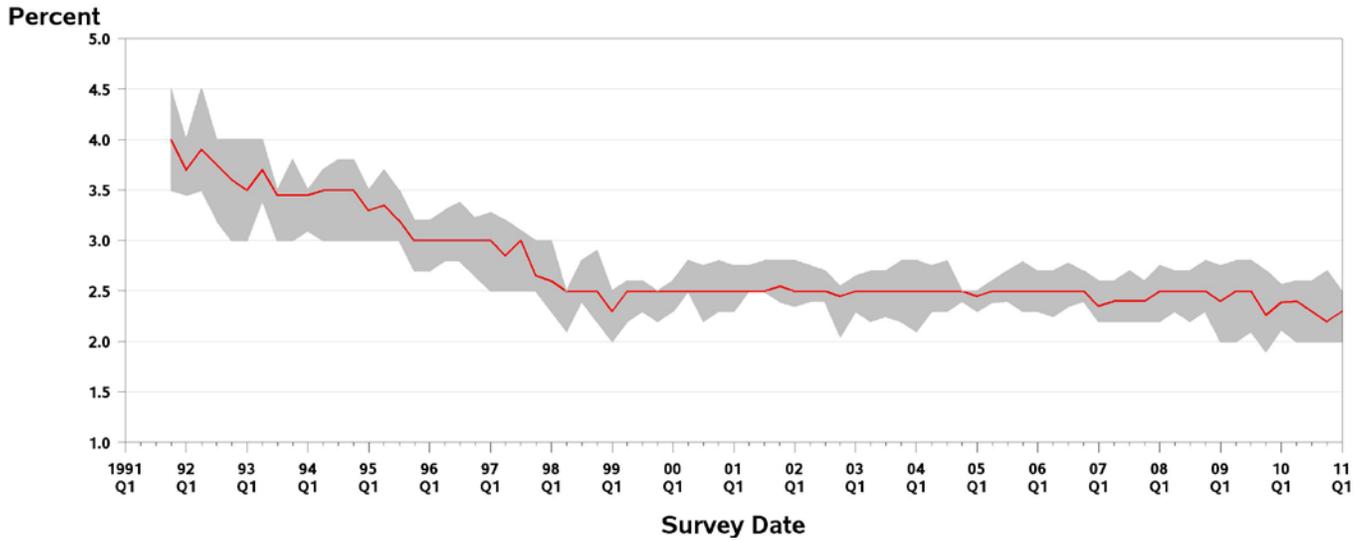
Over the next 10 years, 2011 to 2020, the forecasters expect headline CPI inflation to average 2.30 percent at an annual rate. This estimate is up slightly from the last survey, when the forecasters thought headline CPI inflation over the 10-year period from 2010 to 2019 would average 2.20 percent.

Short-Run and Long-Run Projections for Inflation (Annualized Percentage Points)

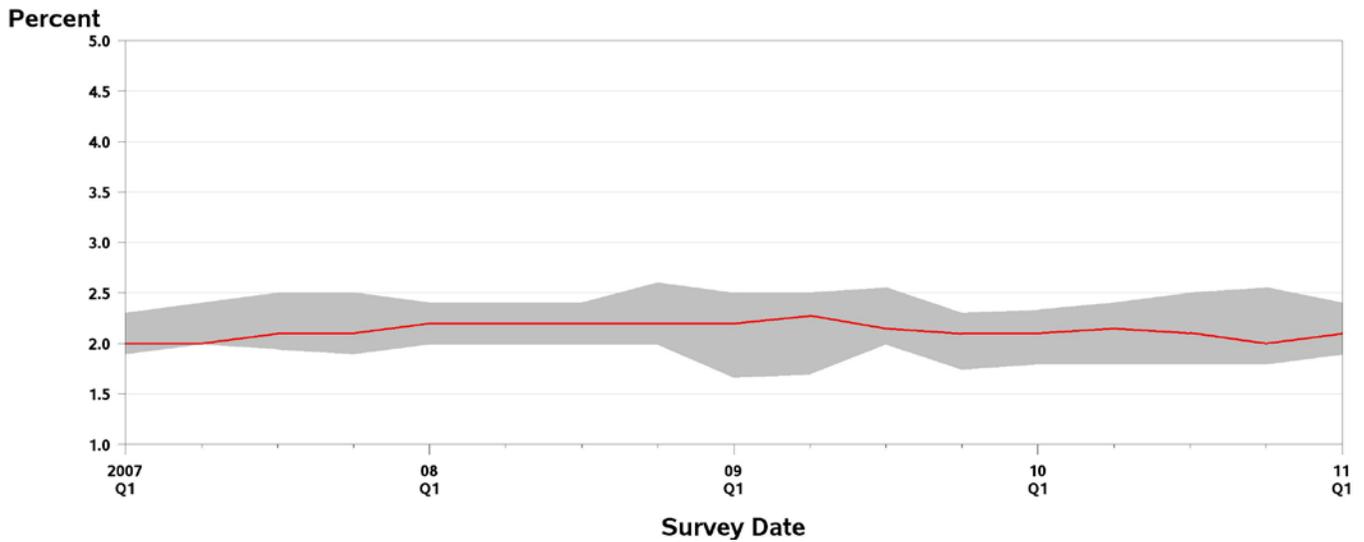
	Headline CPI		Core CPI		Headline PCE		Core PCE	
	Previous	Current	Previous	Current	Previous	Current	Previous	Current
<i>Quarterly</i>								
2011:Q1	1.6	2.5	1.1	1.0	1.5	2.0	1.1	1.0
2011:Q2	1.3	1.3	1.3	1.2	1.2	1.3	1.1	1.3
2011:Q3	1.8	1.8	1.3	1.3	1.4	1.5	1.2	1.3
2011:Q4	1.8	1.8	1.5	1.4	1.6	1.5	1.3	1.4
2012:Q1	N.A.	2.0	N.A.	1.6	N.A.	1.8	N.A.	1.5
<i>Q4/Q4 Annual Averages</i>								
2011	1.6	1.7	1.3	1.3	1.4	1.6	1.2	1.3
2012	1.9	2.0	1.7	1.7	1.8	1.8	1.6	1.6
2013	N.A.	2.1	N.A.	1.9	N.A.	1.9	N.A.	1.7
<i>Long-Term Annual Averages</i>								
2010-2014	2.00	N.A.	N.A.	N.A.	1.80	N.A.	N.A.	N.A.
2011-2015	N.A.	2.10	N.A.	N.A.	N.A.	1.91	N.A.	N.A.
2010-2019	2.20	N.A.	N.A.	N.A.	2.00	N.A.	N.A.	N.A.
2011-2020	N.A.	2.30	N.A.	N.A.	N.A.	2.10	N.A.	N.A.

The charts below show the median forecasts (the red line) and the associated interquartile ranges (the gray area around the red line) for the projections for the 10-year annual-average CPI and PCE inflation. The forecast begins in Q4 1991 for 10-year CPI inflation and in Q1 2007 for 10-year PCE inflation.

Projections for the 10-Year Annual-Average Rate of CPI Inflation (Median and Interquartile Range)

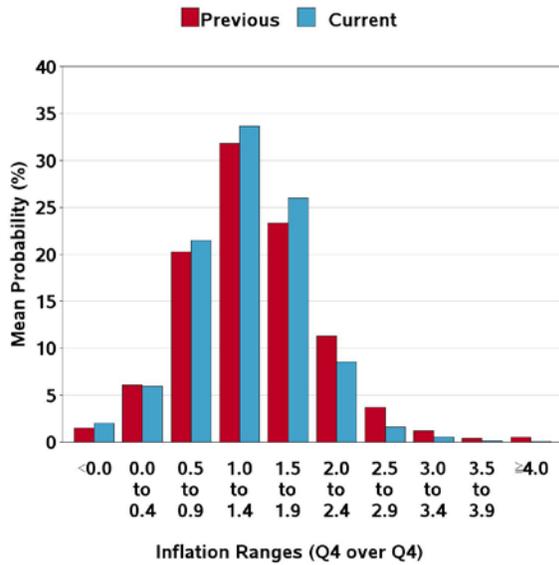


Projections for the 10-Year Annual-Average Rate of PCE Inflation (Median and Interquartile Range)

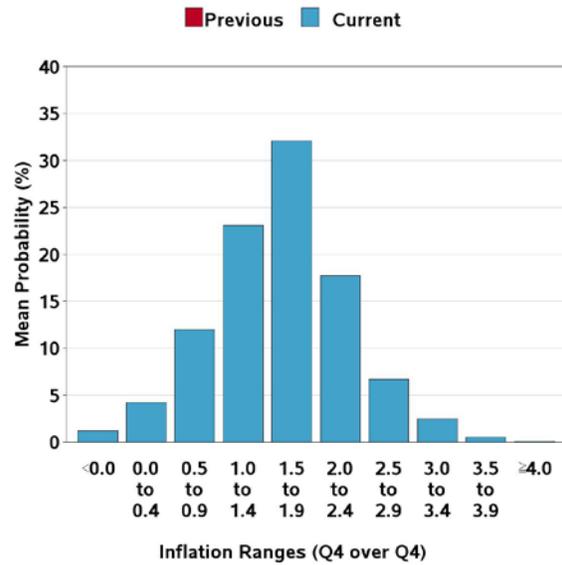


The figures below show the probabilities that the forecasters are assigning to the possibility that fourth-quarter over fourth-quarter core PCE inflation in 2011 and 2012 will fall into each of 10 ranges. For 2011, the forecasters assign a higher chance than previously that core PCE inflation will fall in the range of 0.5 to 1.9 percent.

Mean Probabilities for Core PCE Inflation in 2011



Mean Probabilities for Core PCE Inflation in 2012



Small Risk of a Negative Quarter

The forecasters have revised downward the chance of a contraction in real GDP in any of the next four quarters. For the current quarter, they predict a 6.3 percent chance of negative growth, down from 12.9 percent in the survey of three months ago. As the table below shows, the panelists have also made downward revisions to their forecasts for the following three quarters.

Risk of a Negative Quarter (%)

Quarterly data:	Previous	New
2011: Q1	12.9	6.3
2011: Q2	13.6	7.1
2011: Q3	13.2	9.3
2011: Q4	13.8	10.7
2012: Q1	N.A.	11.4

Forecasters State Their Views on House Prices

In this survey, a special question asked panelists to provide their forecasts for fourth-quarter over fourth-quarter growth in house prices, as measured by a number of alternative indices. The panelists were allowed to choose from a provided list of indices or to write in their own index. For each index of their choosing, the panelists provided forecasts of growth in 2011 and 2012.

Twenty-five panelists answered the special question. Some panelists provided projections for more than one index. The table below provides a summary of the forecasters' responses. For some indices, the number of responses (N) is very small. The median estimates for the seven house-price indices listed in the table below range from -3.3 percent to 0.4 percent in 2011 and 1.4 percent to 3.7 percent in 2012.

Projections for Growth in Various Indices of House Prices Q4/Q4, Percentage Points

Index	2011 (Q4/Q4 Percent Change)			2012 (Q4/Q4 Percent Change)		
	N	Mean	Median	N	Mean	Median
S&P/Case-Shiller: U.S. National	13	-0.6	0.4	13	1.3	2.0
S&P/Case-Shiller: Composite 10	2	-0.9	-0.9	2	2.1	2.1
S&P/Case-Shiller: Composite 20	6	-0.9	-0.6	6	1.0	1.4
FHFA: U.S. Total	6	-1.0	-1.3	6	3.5	3.7
FHFA: Purchase Only	6	-1.1	-2.3	6	2.1	1.8
CoreLogic: National HPI, incl Distressed Sales (Single Family Combined)	4	-0.4	-0.2	3	1.1	2.3
NAR Median: Total Existing	2	-3.3	-3.3	2	2.6	2.6

Upward Revisions to Long-Term Output Growth and Stock Returns

In first-quarter surveys, the forecasters provide their long-run projections for an expanded set of variables, including growth in output and productivity, as well as returns on financial assets. As the table below shows, the forecasters have increased their long-run estimates for the annual-average rate of growth in real GDP. Currently, the forecasters expect real GDP to grow 2.84 percent per year over the next 10 years, up from 2.70 percent in the survey of 2010 Q1. The forecasters predict the S&P 500 returning 7.25 percent per year, up from 7.00 percent. A downward revision to bond returns accompanies the current outlook. The forecasters see 10-year Treasuries returning 4.88 percent per year, down from 4.95 percent. The forecasters continue to expect that three-month Treasury bills will return 3.0 percent per year over the next 10 years. Productivity growth is also expected to remain unchanged at 2.0 percent per year.

Long-Term (10-year) Forecasts (%)

	<i>First Quarter 2010</i>	<i>Current Survey</i>
<i>Real GDP Growth</i>	2.70	2.84
<i>Productivity Growth</i>	2.00	2.00
<i>Stock Returns (S&P 500)</i>	7.00	7.25
<i>Bond Returns (10-year)</i>	4.95	4.88
<i>Bill Returns (3-month)</i>	3.00	3.00

The Federal Reserve Bank of Philadelphia thanks the following forecasters for their participation in recent surveys:

Robert J. Barbera, Mount Lucas Management; **Jay Brinkmann**, Mortgage Bankers Association; **Joseph Carson**, Alliance Capital Management; **Christine Chmura, Ph.D.** and **Xiaobing Shuai, Ph.D.**, Chmura Economics & Analytics; **Gary Ciminero, CFA**, GLC Financial Economics; **David Crowe**, National Association of Home Builders; **Rajeev Dhawan**, Georgia State University; **Shawn Dubravac**, Consumer Electronics Association; **Michael R. Englund**, Action Economics, LLC; **Robert C. Fry, Jr.**, DuPont; **Stephen Gallagher**, Societe Generale; **Timothy Gill**, NEMA; **James Glassman**, JPMorgan Chase & Co.; **Ethan Harris**, Bank of America-Merrill Lynch; **Peter Hooper**, Deutsche Bank Securities, Inc.; **William B. Hummer**, Wayne Hummer Investments; **IHS Global Insight**; **Peter Jaquette**, PIRA Energy Group; **Fred Joutz**, Benchmark Forecasts and Research Program on Forecasting, George Washington University; **Kurt Karl**, Swiss Re; **N. Karp**, BBVA Compass; **Walter Kemmsies**, Moffatt & Nichol; **Jack Kleinhenz**, Kleinhenz & Associates, Inc.; **Thomas Lam**, OSK Group/DMG & Partners; **L. Douglas Lee**, Economics from Washington; **Allan R. Leslie**, Economic Consultant; **John Lonski**, Moody's Capital Markets Group; **Macroeconomic Advisers, LLC**; **Dean Maki**, Barclays Capital; **Jim Meil**, Eaton Corporation; **Anthony Metz**, Pareto Optimal Economics; **Ardavan Mobasheri**, AIG Global Economic Research; **Michael Moran**, Daiwa Capital Markets America; **Joel L. Naroff**, Naroff Economic Advisors; **Mark Nielson, Ph.D.**, MacroEcon Global Advisors; **Michael P. Niemira**, International Council of Shopping Centers; **Luca Noto**, Prima Sgr; **Martin A. Regalia**, U.S. Chamber of Commerce; **David Resler**, Nomura Securities International, Inc.; **Philip Rothman**, East Carolina University; **John Silvia**, Wells Fargo; **Allen Sinai**, Decision Economics, Inc; **Tara M. Sinclair**, Research Program on Forecasting, George Washington University; **Sean M. Snaith, Ph.D.**, University of Central Florida; **Constantine G. Soras, Ph.D.**, CGS Economic Consulting; **Neal Soss**, Credit Suisse; **Stephen Stanley**, Pierpont Securities; **Charles Steindel**, New Jersey Department of the Treasury; **Susan M. Sterne**, Economic Analysis Associates, Inc.; **Thomas Kevin Swift**, American Chemistry Council; **Andrew Tilton** and **Edward F. McKelvey**, Goldman Sachs; **Lea Tyler**, Oxford Economics USA, Inc.; **Jay N. Woodworth**, Woodworth Holdings, Ltd.; **Mark Zandi**, Moody's Analytics; **Ellen Beeson Zentner**, Bank of Tokyo-Mitsubishi UFJ, Ltd.

This is a partial list of participants. We also thank those who wish to remain anonymous.

SUMMARY TABLE
SURVEY OF PROFESSIONAL FORECASTERS
MAJOR MACROECONOMIC INDICATORS

	2011 Q1	2011 Q2	2011 Q3	2011 Q4	2012 Q1	2011	2012 (YEAR-OVER-YEAR)	2013	2014
PERCENT GROWTH AT ANNUAL RATES									
1. REAL GDP (BILLIONS, CHAIN WEIGHTED)	3.6	3.5	3.1	3.4	3.1	3.2	3.1	3.0	3.4
2. GDP PRICE INDEX (PERCENT CHANGE)	1.6	1.1	1.7	1.4	1.8	1.3	1.5	N.A.	N.A.
3. NOMINAL GDP (\$ BILLIONS)	5.3	4.6	4.9	4.9	4.9	4.6	4.9	N.A.	N.A.
4. NONFARM PAYROLL EMPLOYMENT (PERCENT CHANGE) (AVG MONTHLY CHANGE)	1.2 129.1	1.7 188.3	1.8 201.1	1.9 213.1	1.8 201.4	1.2 134.9	2.1 226.1	N.A. N.A.	N.A. N.A.
VARIABLES IN LEVELS									
5. UNEMPLOYMENT RATE (PERCENT)	9.3	9.2	9.0	8.8	8.7	9.1	8.5	7.8	7.3
6. 3-MONTH TREASURY BILL (PERCENT)	0.2	0.2	0.2	0.3	0.3	0.2	1.0	2.3	2.9
7. 10-YEAR TREASURY BOND (PERCENT)	3.4	3.5	3.6	3.8	4.0	3.6	4.1	4.5	4.9
	2011 Q1	2011 Q2	2011 Q3	2011 Q4	2012 Q1	2011	2012 (Q4-OVER-Q4)	2013	
INFLATION INDICATORS									
8. CPI (ANNUAL RATE)	2.5	1.3	1.8	1.8	2.0	1.7	2.0	2.1	
9. CORE CPI (ANNUAL RATE)	1.0	1.2	1.3	1.4	1.6	1.3	1.7	1.9	
10. PCE (ANNUAL RATE)	2.0	1.3	1.5	1.5	1.8	1.6	1.8	1.9	
11. CORE PCE (ANNUAL RATE)	1.0	1.3	1.3	1.4	1.5	1.3	1.6	1.7	

THE FIGURES ON EACH LINE ARE MEDIANS OF 43 INDIVIDUAL FORECASTERS.

SOURCE: RESEARCH DEPARTMENT, FEDERAL RESERVE BANK OF PHILADELPHIA.
SURVEY OF PROFESSIONAL FORECASTERS, FIRST QUARTER 2011.

SURVEY OF PROFESSIONAL FORECASTERS

First Quarter 2011

Tables

Note: Data in these tables listed as "actual" are the data that were available to the forecasters when they were sent the survey questionnaire on January 28; the tables do not reflect subsequent revisions to the data. All forecasts were received on or before February 8, 2011.

TABLE ONE
MAJOR MACROECONOMIC INDICATORS
MEDIAN OF FORECASTER PREDICTIONS

	NUMBER OF FORECASTERS	ACTUAL		FORECAST				ACTUAL		FORECAST		
		2010 Q4	2011 Q1	2011 Q2	2011 Q3	2011 Q4	2012 Q1	2010 ANNUAL	2011 ANNUAL	2012 ANNUAL	2013 ANNUAL	2014 ANNUAL
1. GROSS DOMESTIC PRODUCT (GDP) (\$ BILLIONS)	41	14870	15064	15236	15420	15606	15795	14660	15331	16075	N.A.	N.A.
2. GDP PRICE INDEX (2005=100)	41	111.15	111.59	111.89	112.37	112.77	113.27	110.66	112.11	113.80	N.A.	N.A.
3. CORPORATE PROFITS AFTER TAXES (\$ BILLIONS)	20	N.A.	1266.8	1279.9	1302.9	1322.2	1341.0	N.A.	1299.8	1389.5	N.A.	N.A.
4. UNEMPLOYMENT RATE (PERCENT)	41	9.6	9.3	9.2	9.0	8.8	8.7	9.6	9.1	8.5	7.8	7.3
5. NONFARM PAYROLL EMPLOYMENT (THOUSANDS)	34	130620	131007	131572	132175	132815	133419	130263	131882	134595	N.A.	N.A.
6. INDUSTRIAL PRODUCTION (2007=100)	38	94.3	95.4	96.4	97.4	98.4	99.3	92.7	96.8	100.9	N.A.	N.A.
7. NEW PRIVATE HOUSING STARTS (ANNUAL RATE, MILLIONS)	38	0.54	0.57	0.62	0.67	0.72	0.76	0.59	0.64	0.83	N.A.	N.A.
8. 3-MONTH TREASURY BILL RATE (PERCENT)	37	0.14	0.15	0.18	0.20	0.25	0.33	0.14	0.21	0.95	2.30	2.85
9. AAA CORPORATE BOND YIELD (PERCENT)	31	4.86	5.10	5.15	5.20	5.30	5.45	4.94	5.18	5.50	N.A.	N.A.
10. BAA CORPORATE BOND YIELD (PERCENT)	26	5.91	6.17	6.22	6.27	6.32	6.34	6.04	6.25	6.45	N.A.	N.A.
11. 10-YEAR TREASURY BOND YIELD (PERCENT)	39	2.86	3.40	3.50	3.58	3.75	4.00	3.21	3.55	4.13	4.50	4.89
12. REAL GDP (BILLIONS, CHAIN WEIGHTED)	43	13383	13501	13618	13721	13835	13940	13249	13672	14101	14526	15023
13. TOTAL CONSUMPTION EXPENDITURE (BILLIONS, CHAIN WEIGHTED)	43	9431.2	9503.5	9576.3	9651.9	9725.2	9786.0	9315.7	9614.2	9888.6	N.A.	N.A.
14. NONRESIDENTIAL FIXED INVESTMENT (BILLIONS, CHAIN WEIGHTED)	40	1403.1	1433.4	1465.3	1502.6	1542.6	1561.3	1362.3	1485.4	1599.7	N.A.	N.A.
15. RESIDENTIAL FIXED INVESTMENT (BILLIONS, CHAIN WEIGHTED)	40	326.0	330.0	334.4	342.2	354.0	368.3	332.5	339.2	385.7	N.A.	N.A.
16. FEDERAL GOVERNMENT C & I (BILLIONS, CHAIN WEIGHTED)	38	1093.9	1096.6	1099.4	1102.1	1103.9	1102.7	1077.0	1100.7	1106.3	N.A.	N.A.
17. STATE AND LOCAL GOVT C & I (BILLIONS, CHAIN WEIGHTED)	36	1498.4	1498.4	1498.7	1498.4	1499.3	1505.9	1499.0	1498.3	1510.4	N.A.	N.A.
18. CHANGE IN PRIVATE INVENTORIES (BILLIONS, CHAIN WEIGHTED)	39	7.2	40.0	48.3	53.0	53.9	51.7	60.4	49.8	47.9	N.A.	N.A.
19. NET EXPORTS (BILLIONS, CHAIN WEIGHTED)	40	-392.2	-407.7	-411.7	-421.2	-424.3	-428.5	-421.2	-415.6	-425.3	N.A.	N.A.

SOURCE: RESEARCH DEPARTMENT, FEDERAL RESERVE BANK OF PHILADELPHIA. SURVEY OF PROFESSIONAL FORECASTERS, FIRST QUARTER 2011.

TABLE TWO
MAJOR MACROECONOMIC INDICATORS
PERCENTAGE CHANGES AT ANNUAL RATES

	NUMBER OF FORECASTERS	Q4 2010	Q1 2011	Q2 2011	Q3 2011	Q4 2011	2010	2011	2012	2013
		TO Q1 2011	TO Q2 2011	TO Q3 2011	TO Q4 2011	TO Q1 2012	TO 2011	TO 2012	TO 2013	TO 2014
1. GROSS DOMESTIC PRODUCT (GDP) (\$ BILLIONS)	41	5.3	4.6	4.9	4.9	4.9	4.6	4.9	N.A.	N.A.
2. GDP PRICE INDEX (2005=100)	41	1.6	1.1	1.7	1.4	1.8	1.3	1.5	N.A.	N.A.
3. CORPORATE PROFITS AFTER TAXES (\$ BILLIONS)	20	8.7	4.2	7.4	6.1	5.8	7.6	6.9	N.A.	N.A.
4. UNEMPLOYMENT RATE (PERCENT)	41	-0.3	-0.1	-0.2	-0.2	-0.1	-0.5	-0.6	-0.7	-0.5
5. NONFARM PAYROLL EMPLOYMENT (PERCENT CHANGE)	34	1.2	1.7	1.8	1.9	1.8	1.2	2.1	N.A.	N.A.
(AVG MONTHLY CHANGE)	34	129.1	188.3	201.1	213.1	201.4	134.9	226.1	N.A.	N.A.
6. INDUSTRIAL PRODUCTION (2007=100)	38	4.6	4.2	4.4	4.3	3.7	4.4	4.2	N.A.	N.A.
7. NEW PRIVATE HOUSING STARTS (ANNUAL RATE, MILLIONS)	38	26.9	38.6	36.0	35.1	23.3	9.3	29.5	N.A.	N.A.
8. 3-MONTH TREASURY BILL RATE (PERCENT)	37	0.01	0.03	0.02	0.05	0.08	0.06	0.75	1.35	0.55
9. AAA CORPORATE BOND YIELD (PERCENT)	31	0.24	0.05	0.05	0.10	0.15	0.24	0.32	N.A.	N.A.
10. BAA CORPORATE BOND YIELD (PERCENT)	26	0.26	0.05	0.05	0.05	0.03	0.21	0.20	N.A.	N.A.
11. 10-YEAR TREASURY BOND YIELD (PERCENT)	39	0.54	0.10	0.08	0.17	0.25	0.34	0.58	0.37	0.39
12. REAL GDP (BILLIONS, CHAIN WEIGHTED)	43	3.6	3.5	3.1	3.4	3.1	3.2	3.1	3.0	3.4
13. TOTAL CONSUMPTION EXPENDITURE (BILLIONS, CHAIN WEIGHTED)	43	3.1	3.1	3.2	3.1	2.5	3.2	2.9	N.A.	N.A.
14. NONRESIDENTIAL FIXED INVESTMENT (BILLIONS, CHAIN WEIGHTED)	40	8.9	9.2	10.6	11.1	4.9	9.0	7.7	N.A.	N.A.
15. RESIDENTIAL FIXED INVESTMENT (BILLIONS, CHAIN WEIGHTED)	40	4.9	5.5	9.7	14.5	17.2	2.0	13.7	N.A.	N.A.
16. FEDERAL GOVERNMENT C & I (BILLIONS, CHAIN WEIGHTED)	38	1.0	1.0	1.0	0.7	-0.5	2.2	0.5	N.A.	N.A.
17. STATE AND LOCAL GOVT C & I (BILLIONS, CHAIN WEIGHTED)	36	0.0	0.1	-0.1	0.2	1.8	-0.1	0.8	N.A.	N.A.
18. CHANGE IN PRIVATE INVENTORIES (BILLIONS, CHAIN WEIGHTED)	39	32.8	8.3	4.7	0.9	-2.2	-10.6	-1.9	N.A.	N.A.
19. NET EXPORTS (BILLIONS, CHAIN WEIGHTED)	40	-15.5	-4.0	-9.5	-3.1	-4.3	5.6	-9.7	N.A.	N.A.

NOTE: FIGURES FOR UNEMPLOYMENT RATE, TREASURY BILL RATE, AAA CORPORATE BOND YIELD, BAA CORPORATE BOND YIELD, AND 10-YEAR TREASURY BOND YIELD ARE CHANGES IN THESE RATES, IN PERCENTAGE POINTS. FIGURES FOR CHANGE IN PRIVATE INVENTORIES AND NET EXPORTS ARE CHANGES IN BILLIONS OF CHAIN-WEIGHTED DOLLARS. ALL OTHERS ARE PERCENTAGE CHANGES AT ANNUAL RATES.

SOURCE: RESEARCH DEPARTMENT, FEDERAL RESERVE BANK OF PHILADELPHIA. SURVEY OF PROFESSIONAL FORECASTERS, FIRST QUARTER 2011.

TABLE THREE
 MAJOR PRICE INDICATORS
 MEDIANS OF FORECASTER PREDICTIONS

	NUMBER OF FORECASTERS	ACTUAL	FORECAST (Q/Q)					ACTUAL	FORECAST (Q4/Q4)		
		2010 Q4	2011 Q1	2011 Q2	2011 Q3	2011 Q4	2012 Q1	2010 ANNUAL	2011 ANNUAL	2012 ANNUAL	2013 ANNUAL
1. CONSUMER PRICE INDEX (ANNUAL RATE)	41	2.6	2.5	1.3	1.8	1.8	2.0	1.2	1.7	2.0	2.1
2. CORE CONSUMER PRICE INDEX (ANNUAL RATE)	40	0.4	1.0	1.2	1.3	1.4	1.6	0.6	1.3	1.7	1.9
3. PCE PRICE INDEX (ANNUAL RATE)	35	1.8	2.0	1.3	1.5	1.5	1.8	1.2	1.6	1.8	1.9
4. CORE PCE PRICE INDEX (ANNUAL RATE)	36	0.4	1.0	1.3	1.3	1.4	1.5	0.8	1.3	1.6	1.7

SOURCE: RESEARCH DEPARTMENT, FEDERAL RESERVE BANK OF PHILADELPHIA. SURVEY OF PROFESSIONAL FORECASTERS, FIRST QUARTER 2011.

TABLE FOUR
ESTIMATED PROBABILITY OF DECLINE IN REAL GDP

ESTIMATED PROBABILITY (CHANCES IN 100)	Q4 2010	Q1 2011	Q2 2011	Q3 2011	Q4 2011
	TO	TO	TO	TO	TO
	Q1 2011	Q2 2011	Q3 2011	Q4 2011	Q1 2012
NUMBER OF FORECASTERS					
10 OR LESS	36	34	30	28	26
11 TO 20	3	6	9	10	9
21 TO 30	1	0	1	2	4
31 TO 40	0	0	0	0	0
41 TO 50	0	0	0	0	0
51 TO 60	0	0	0	0	0
61 TO 70	0	0	0	0	0
71 TO 80	0	0	0	0	0
81 TO 90	0	0	0	0	0
91 AND OVER	0	0	0	0	0
NOT REPORTING	3	3	3	3	4
MEAN AND MEDIAN					
MEDIAN PROBABILITY	5.00	5.08	10.00	10.00	10.00
MEAN PROBABILITY	6.32	7.08	9.26	10.73	11.38

NOTE: TOTAL NUMBER OF FORECASTERS REPORTING IS 40.
SOURCE: RESEARCH DEPARTMENT, FEDERAL RESERVE BANK OF PHILADELPHIA.
SURVEY OF PROFESSIONAL FORECASTERS, FIRST QUARTER 2011.

TABLE FIVE
MEAN PROBABILITIES

MEAN PROBABILITY ATTACHED TO POSSIBLE
CIVILIAN UNEMPLOYMENT RATES:
(ANNUAL AVERAGE)

	2011	2012	2013	2014
11.0 PERCENT OR MORE	0.18	0.33	0.21	0.20
10.0 TO 10.9 PERCENT	2.47	0.95	0.74	0.43
9.5 TO 9.9 PERCENT	18.82	4.53	1.51	0.82
9.0 TO 9.4 PERCENT	38.72	15.85	5.94	2.25
8.5 TO 8.9 PERCENT	28.67	27.55	16.77	6.37
8.0 TO 8.4 PERCENT	8.17	25.55	22.08	12.99
7.5 TO 7.9 PERCENT	2.24	16.13	18.49	23.03
7.0 TO 7.4 PERCENT	0.56	6.96	16.88	22.71
6.0 TO 6.9 PERCENT	0.13	1.75	13.71	20.77
LESS THAN 6.0 PERCENT	0.08	0.41	3.66	10.44

MEAN PROBABILITY ATTACHED TO POSSIBLE
PERCENT CHANGES IN REAL GDP:
(ANNUAL-AVERAGE OVER ANNUAL-AVERAGE)

	2010-2011	2011-2012	2012-2013	2013-2014
6.0 OR MORE	0.68	1.22	1.79	1.28
5.0 TO 5.9	2.77	4.51	3.28	3.01
4.0 TO 4.9	14.41	14.82	13.02	11.16
3.0 TO 3.9	45.18	38.80	34.91	36.25
2.0 TO 2.9	28.15	27.92	28.78	29.69
1.0 TO 1.9	5.97	8.38	11.14	12.27
0.0 TO 0.9	2.02	2.71	3.89	4.11
-1.0 TO -0.1	0.54	1.00	1.48	1.32
-2.0 TO -1.1	0.11	0.33	0.73	0.52
-3.0 TO -2.1	0.10	0.19	0.54	0.26
LESS THAN -3.0	0.07	0.14	0.42	0.14

MEAN PROBABILITY ATTACHED TO POSSIBLE
PERCENT CHANGES IN GDP PRICE INDEX:
(ANNUAL-AVERAGE OVER ANNUAL-AVERAGE)

	2010-2011	2011-2012
8.0 OR MORE	0.04	0.04
7.0 TO 7.9	0.05	0.05
6.0 TO 6.9	0.08	0.16
5.0 TO 5.9	0.24	0.82
4.0 TO 4.9	1.32	2.14
3.0 TO 3.9	3.97	7.10
2.0 TO 2.9	18.43	25.14
1.0 TO 1.9	50.55	44.00
0.0 TO 0.9	21.29	15.98
WILL DECLINE	4.02	4.57

SOURCE: RESEARCH DEPARTMENT, FEDERAL RESERVE BANK OF PHILADELPHIA.
SURVEY OF PROFESSIONAL FORECASTERS, FIRST QUARTER 2011.

TABLE SIX
 MEAN PROBABILITY OF CORE CPI AND CORE PCE INFLATION (Q4/Q4)

MEAN PROBABILITY ATTACHED TO CORE CPI INFLATION:

	10Q4 TO 11Q4	11Q4 TO 12Q4
4 PERCENT OR MORE	0.09	1.05
3.5 TO 3.9 PERCENT	0.26	0.59
3.0 TO 3.4 PERCENT	1.37	3.90
2.5 TO 2.9 PERCENT	4.21	9.41
2.0 TO 2.4 PERCENT	13.87	18.56
1.5 TO 1.9 PERCENT	27.72	31.07
1.0 TO 1.4 PERCENT	29.82	23.37
0.5 TO 0.9 PERCENT	14.40	7.86
0.0 TO 0.4 PERCENT	4.11	2.67
WILL DECLINE	4.15	1.52

MEAN PROBABILITY ATTACHED TO CORE PCE INFLATION:

	10Q4 TO 11Q4	11Q4 TO 12Q4
4 PERCENT OR MORE	0.06	0.07
3.5 TO 3.9 PERCENT	0.12	0.51
3.0 TO 3.4 PERCENT	0.55	2.47
2.5 TO 2.9 PERCENT	1.62	6.71
2.0 TO 2.4 PERCENT	8.59	17.72
1.5 TO 1.9 PERCENT	26.01	32.08
1.0 TO 1.4 PERCENT	33.67	23.05
0.5 TO 0.9 PERCENT	21.47	12.00
0.0 TO 0.4 PERCENT	5.95	4.21
WILL DECLINE	1.97	1.18

SOURCE: RESEARCH DEPARTMENT, FEDERAL RESERVE BANK OF PHILADELPHIA.
 SURVEY OF PROFESSIONAL FORECASTERS, FIRST QUARTER 2011.

TABLE SEVEN
LONG-TERM (5-YEAR AND 10-YEAR) FORECASTS

ANNUAL AVERAGE OVER THE NEXT 5 YEARS: 2011-2015
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CPI INFLATION RATE		PCE INFLATION RATE	
-----		-----	
MINIMUM	-0.40	MINIMUM	-0.50
LOWER QUARTILE	1.80	LOWER QUARTILE	1.60
MEDIAN	2.10	MEDIAN	1.91
UPPER QUARTILE	2.42	UPPER QUARTILE	2.20
MAXIMUM	3.40	MAXIMUM	3.20
MEAN	2.08	MEAN	1.85
STD. DEVIATION	0.68	STD. DEVIATION	0.65
N	39	N	38
MISSING	4	MISSING	5

ANNUAL AVERAGE OVER THE NEXT 10 YEARS: 2011-2020
=====

CPI INFLATION RATE		PCE INFLATION RATE	
-----		-----	
MINIMUM	0.70	MINIMUM	0.60
LOWER QUARTILE	2.00	LOWER QUARTILE	1.90
MEDIAN	2.30	MEDIAN	2.10
UPPER QUARTILE	2.50	UPPER QUARTILE	2.40
MAXIMUM	3.50	MAXIMUM	3.00
MEAN	2.29	MEAN	2.08
STD. DEVIATION	0.55	STD. DEVIATION	0.51
N	36	N	34
MISSING	7	MISSING	9

REAL GDP GROWTH RATE		PRODUCTIVITY GROWTH RATE	
-----		-----	
MINIMUM	1.70	MINIMUM	1.50
LOWER QUARTILE	2.70	LOWER QUARTILE	1.80
MEDIAN	2.84	MEDIAN	2.00
UPPER QUARTILE	3.20	UPPER QUARTILE	2.20
MAXIMUM	4.00	MAXIMUM	3.00
MEAN	2.93	MEAN	2.04
STD. DEVIATION	0.48	STD. DEVIATION	0.35
N	34	N	26
MISSING	9	MISSING	17

STOCK RETURNS (S&P 500)		BOND RETURNS (10-YEAR)		BILL RETURNS (3-MONTH)	
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MINIMUM	4.20	MINIMUM	-4.00	MINIMUM	-2.00
LOWER QUARTILE	6.30	LOWER QUARTILE	4.25	LOWER QUARTILE	2.75
MEDIAN	7.25	MEDIAN	4.88	MEDIAN	3.00
UPPER QUARTILE	8.25	UPPER QUARTILE	5.00	UPPER QUARTILE	3.31
MAXIMUM	12.00	MAXIMUM	6.50	MAXIMUM	4.75
MEAN	7.37	MEAN	4.50	MEAN	2.93
STD. DEVIATION	1.80	STD. DEVIATION	1.80	STD. DEVIATION	1.13
N	20	N	30	N	30
MISSING	23	MISSING	13	MISSING	13

SOURCE: RESEARCH DEPARTMENT, FEDERAL RESERVE BANK OF PHILADELPHIA.
SURVEY OF PROFESSIONAL FORECASTERS, FIRST QUARTER 2011.